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THE RETIREMENT SYSTEMS OF ALABAMA

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MEMORANDUM

TO: Chief Executive Officers
TRS Member Agencies

FROM: Donald L. Yancey, Director of TRS Benefits
Teachers' Retirement System of Alabama

DATE: May 15, 2010

SUBJECT: 2010 LEGISLATIVE UPDATE

The regular session of the 2010 Alabama Legislature adopted several Acts that directly impact the Teachers' Retirement System participating agencies and their employees. Attached you will find a summary of those Acts. You may duplicate this summary and disseminate it to your employees as you deem appropriate. The Legislative Update is now posted on our web site and may be viewed or printed as necessary. Also, please add this Legislative Update to your agency manual(s).

Beginning July 1, 2010, the Annual Compensation Limit imposed on members of the Teachers' Retirement System who became members on or after July 1, 1996, will remain at the current level of $245,000.00 annually. Any employees who were members of the Teachers' Retirement System prior to July 1, 1996 are not subject to the cap on earnable compensation subject to TRS contributions and should contribute on total compensation.

The earnings limit for retired individuals who are employed on a part-time basis for a covered institution will remain at $22,000.00 per year for the 2010 calendar year. Individuals who retire in 2010 will be subject to a monthly earnings limitation equal to one-twelfth of the annual limit which is $1,833.33. We have enclosed for your reference an updated post-retirement earnings limitation memorandum. A copy should be placed in your agency manual and should be provided to any retired employee seeking employment with your agency.

If we may provide additional information or assist you or your employees in any way, please contact our office at 1-877-517-0020.

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